



(Constituted in the Republic of Singapore  
pursuant to trust deed dated 9 October 2002 (as amended))

## ANNOUNCEMENT

### PROPOSED PLACEMENT OF UP TO 112,021,858 NEW UNITS (THE “NEW UNITS”) IN ASCENDAS REAL ESTATE INVESTMENT TRUST (“A-REIT”) AT AN ISSUE PRICE OF BETWEEN S\$1.83 AND S\$1.88 PER NEW UNIT

#### 1. Introduction

The Board of Directors of Ascendas-MGM Funds Management Limited (in its capacity as the manager of A-REIT, the “**Manager**”) hereby announces that the Manager proposes to raise funds by way of a placement of up to 112,021,858 New Units in A-REIT at an issue price (the “**Issue Price**”) of between S\$1.83 and S\$1.88 per New Unit (the “**Placement**”) to raise a gross sum amounting to S\$205.0 million. The actual number of New Units to be issued under the Placement will depend on the actual Issue Price.

#### 2. Details of the Placement

In connection with the Placement, the Manager has today entered into a placement agreement (the “**Placement Agreement**”) with Citigroup Global Markets Singapore Pte. Ltd. and UBS AG (together, the “**Underwriters**”) for the placement of up to 112,021,858 New Units to institutional and certain other investors at the Issue Price.

At an Issue Price of S\$1.88 (being the top-end of the issue price range), 109,042,553 New Units will be issued; at an Issue Price of S\$1.83 (being the bottom-end of the issue price range), 112,021,858 New Units will be issued. The actual Issue Price will be determined following an accelerated book building process by agreement between the Manager and the Underwriters on a date currently expected to be 22 February 2005 (such date being subject to change).

The Placement shall be conditional upon, *inter alia*, the approval in-principle of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the New Units on the Main Board of the SGX-ST. The Manager will be making a formal application to the SGX-ST for the listing and quotation of the New Units.

#### *Status of the New Units*

Upon issue and allotment, the New Units will only be entitled to participate in the distributable income of A-REIT for the period from the date of their issue (the “**Issue**”

**Date**") to 31 March 2005 whereas the existing units in A-REIT ("**Units**") are entitled to participate in A-REIT's distributable income in respect of the whole of the current distribution period (1 January 2005 to 31 March 2005). From the next distribution period following the current distribution period, the New Units will rank *pari passu* in all respects with the existing Units, including the right to any distribution which may be paid for that distribution period and all distributions thereafter.

As the New Units will not be entitled to participate in A-REIT's distributable income for the period from 1 January 2005 to the day immediately prior to the Issue Date, it is necessary for the New Units to trade under a separate stock counter on the SGX-ST for the period commencing from the Issue Date to the last day of "cum-distribution" trading for both the New Units and the existing Units in respect of the current distribution period from 1 January 2005 to 31 March 2005, which is expected to be in April 2005. After the last day of "cum-distribution" trading, the New Units and the existing Units will be aggregated and traded under the existing A-REIT stock counter on the SGX-ST on the next market day, *i.e.* the first day of "ex-distribution" trading for both the New Units and the existing Units.

### 3. **Authority to Issue the New Units**

The trust deed constituting A-REIT (the "**Trust Deed**") provides that new Units may be issued, other than by way of a rights issue offered on a *pro rata* basis to all existing holders of Units ("**Unitholders**"), without the prior approval of Unitholders in a meeting of Unitholders if, *inter alia*, the issue (together with any other issue of Units, including Units issued to the Manager in payment of the Manager's management fees, other than by way of a rights issue offered on a *pro rata* basis to all existing Unitholders, in the same financial year) would not, immediately after the issue, exceed 10.0% of the value of all the gross assets of A-REIT (the "**Deposited Property**") or such other percentage as may, from time to time, be prescribed by the Monetary Authority of Singapore (the "**MAS**"), provided that the number of Units which would be represented by such percentage does not exceed the number of Units represented by 20.0% of the outstanding Units (or such other percentage of outstanding Units as may be prescribed by the SGX-ST) (the "**Trust Deed Mandate**").

A placement of 82,142,857 new Units in June 2004 pursuant to the Trust Deed Mandate was subsequently approved and ratified by Unitholders at an extraordinary general meeting held on 2 November 2004. The Trust Deed Mandate for A-REIT's current financial year has therefore been refreshed.

Further, in connection with the initial public offering of A-REIT in November 2002, the SGX-ST had directed that the aggregate number of New Units which A-REIT may issue in every 12-month period without obtaining Unitholders' approval may not exceed 50.0% of the number of Units in issue as at the date of the first and each successive 12-month period, of which the aggregate number of Units issued other than on a *pro rata* basis to existing Unitholders may not exceed 20.0% of the number of Units on issue as at the said date. The current 12-month period commenced on 19 November 2004 and 791,668,490 Units were in issue as at that date.

The aggregate value of the New Units proposed to be issued and allotted in connection with the Placement (S\$205.0 million) together with the aggregate value of the Units which have been issued to the Manager in part payment of its management fees during A-REIT's current financial year (S\$4.6 million), will not exceed 10.0% of the value of the Deposited Property immediately after the completion of the Placement (expected to be approximately S\$2 billion). Further, the New Units to be issued under the Placement will comprise less than 20.0% of the Units in issue as at the date of this Announcement and also less than 20.0% of the 791,668,490 Units in issue as at 19 November 2004. As such, the New Units may be allotted and issued at the absolute discretion of the Manager.

#### 4. Use of Proceeds

The Manager intends to use the net proceeds of the Placement to partly finance the acquisitions of Telepark, Kim Chuan Telecommunications Complex, KA Place and KA Centre by A-REIT (the "Acquisitions") from Singapore Telecommunications Limited. The balance of the costs of the Acquisitions (less the deferred component of the purchase price of Telepark, which is payable only at the end of the third year after the completion of the acquisition of Telepark) and the refundable input tax payable by A-REIT to the Inland Revenue of Singapore in respect of the aggregate purchase price of the aforementioned properties is intended to be funded from additional borrowings to be incurred by A-REIT.

#### 5. Financial Effects of the Placement

On the basis that the Placement is undertaken to partly finance the Acquisitions, the pro forma financial effects of the proposed issue of the New Units on the net tangible asset per Unit as at 31 March 2004, as if A-REIT had purchased the Properties on 1 April 2003, and held and operated them through to 31 March 2004, are as follows:

|                              | Before the Placement <sup>(1)</sup> | Completion of the Placement                       |   |
|------------------------------|-------------------------------------|---|---|
|                              |                                     | Assuming an Issue Price of S\$1.83 <sup>(2)</sup> | Assuming an Issue Price of S\$1.88 <sup>(3)</sup> |
| <b>NAV (S\$'000)</b>         | 1,196,264                           | 1,398,364   | 1,398,364   |
| <b>Units on issue ('000)</b> | 1,050,637                           | 1,162,659   | 1,159,680   |
| <b>NTA per Unit (S\$)</b>    | 1.14                                | 1.203   | 1.206   |

Notes:

- (1) Based on A-REIT's balance sheet as at 31 March 2004 (being the date on which A-REIT's last audited balance sheet was made up) and adjusted for A-REIT's distribution in respect of the period from 1 October 2003 to 31 March 2004, which was paid on 26 April 2004, and adjusted to include properties purchased since 31 March 2004 including Nan Wah Building, Progen Building, C & P Logistics Hub, Infineon Building, Techpoint, Exklusiv Centre, CG Aerospace Building, Autron Building, SB Building, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building, Wisma Gulab, Volex Building and Steel Industries Building based on their respective purchase prices (including their respective costs of acquisition).
- (2) At an Issue Price of S\$1.83, 112,021,858 New Units will be issued under the Placement.
- (3) At an Issue Price of S\$1.88, 109,042,553 New Units will be issued under the Placement.

## 6. Offer Information Statement

In compliance with an order issued by the MAS dated 31 December 2004 exempting, *inter alia*, the Manager and the Underwriters from the requirements in Subdivision 3 of Division 2 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore, the Manager has today lodged an offer information statement (the “**Offer Information Statement**”) in connection with the Placement (see the appendix to this Announcement).

## 7. Documents for Inspection

The Placement Agreement and the Offer Information Statement will be available for inspection (upon appointment) during normal business hours at the registered office of the Manager at 75 Science Park Drive, #01-03 CINTech II, Singapore 118255, for a period of 3 months commencing from the date of this announcement.

BY ORDER OF THE BOARD  
ASCENDAS-MGM FUNDS MANAGEMENT LIMITED  
(Company Registration No. 200201987K)  
(as manager of Ascendas Real Estate Investment Trust)

Tay Hsiu Chieh  
Company Secretary  
21 February 2005

### Important Notice

This Announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view on future events.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.